CANADA

PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL
No.: 500-11-042912-127

SUPERIOR COURT
(Commercial Division)
The *Canada Business Corporations Act*

MONTREAL, this 20 **day of May, 2014**

IN THE PRESENCE OF:
THE HONOURABLE
Chantal Corriveau**, J.S.C.**

IN THE MATTER OF THE LIQUIDATION OF:

ACE AVIATION HOLDINGS INC.

Applicant

-and-

ERNST & YOUNG INC.

Liquidator

ORDER WITH RESPECT TO THE REMAINING SUBSIDIARIES OF ACE AVIATION HOLDINGS INC.

CONSIDERING the *"Application for an Order Exempting ACE Aviation Holdings Inc. from the Requirement to Call and Hold an Annual Meeting of Shareholders and for an Order Relating to the Remaining Subsidiaries of ACE Aviation Holdings Inc."* (the **"Motion"**) and its supporting exhibits, including the Report of the Liquidator dated May 9th, 2014, brought by Ernst & Young Inc. (the **"Liquidator"**), the Liquidator of ACE Aviation Holdings Inc. (**"ACE"**).

CONSIDERING the submissions of counsel for the Liquidator;

GIVEN the provisions of the *Canada Business Corporations Act*, (R.S.C., 1985, c. C-44) as amended (the **"CBCA"**);

WHEREFORE, THE COURT:

[1] **ORDERS** that the following terms in the present section of this order (the **"Order"**) shall, unless otherwise indicated, have the following meanings ascribed thereto:

(a) "**Books and Records**" means the financial and accounting records, tax records and records and documents relating to litigation matters of ACTS LP and 4378555 Canada Inc.;

(b) **"Business Day"** means a day on which banks are generally open for business in Quebec and Ontario, other than a Saturday, a Sunday or a non-juridical day (as defined in article 6 of the Code of Civil Procedure, R.S.Q., c. C-25, as amended);

(c) **"Claim"** means any right of any Person against ACTS LP or 4378555 Canada Inc. in connection with any indebtedness, liability or obligation of any kind of ACTS LP or 4378555 Canada Inc. owed to such Person and any interest accrued thereon or costs payable in respect thereof, whether liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including the right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future;

(d) **"Claims Bar Date"** means 5:00 p.m. Eastern time (EST) on July 18th, 2014, or such later date as may be ordered by the Court;

(e) **"Contingent Claim"** means a Claim that may or may not become a debt of ACTS LP or 4378555 Canada Inc. depending upon the result of a specified future event;

(f) **"Court"** means the Superior Court of Québec (Commercial Division);

(g) **"Creditor"** means any Person having a Claim, and may, where the context requires, include the assignee of a Claim or a trustee, interim receiver, receiver, receiver and manager, or other Person acting on behalf of such Person and includes a Known Creditor;

(h) **"Creditors' Instructions"** means the instructions for Creditors, including a Proof of Claim, a notice and an instruction letter (being substantially in the form set out at Annex A hereto) explaining how to complete same, and a copy of this Order;

(i) **"Creditors' List"** means a list of all Known Creditors;

(j) **"Designated Newspapers"** means La Presse and the Globe and Mail;

(k) "**General Partner**" means 4378555 Canada Inc., a corporation incorporated under the laws of Canada and the general partner of ACTS LP;

(l) **"Known Creditor"** means a Creditor whose Claim is included in the Books and Records;

(m) **"Liquidation Order"** means the order of this Court dated June 28th, 2012, granting ACE's "Application for an Order Appointing a Liquidator and for an Order that the Liquidation be Continued under the Supervision of the Court";

(n) **"Newspaper Notice"** means the notice of this Order to be published in the Designated Newspapers on the Publication Date, which shall set out the Claims Bar Date and the Creditors' Instructions;

(o) **"Notice of Revision or Disallowance"** means the notice referred to in subparagraph 7 (e) hereof, advising a Creditor that the Liquidator has revised or rejected all or part of such Creditor's Claim set out in its Proof of Claim and setting out the reasons for such revision or disallowance;

(p) **"Person"** means any individual, corporation, limited or unlimited liability company, general or limited partnership, association, trust, unincorporated organization, joint venture, governmental body or agency, or any other entity;

(q) **"Proof of Claim"** means the form of proof of claim for Creditors referred to in paragraphs 6 and following hereof, being substantially in the form set out at Annex A attached herewith;

(r) **"Proven Claim"** means the amount of any Claim of any Creditor determined in accordance with the provisions of this Order, and proven by delivering a Proof of Claim to the Liquidator, but only after and to the extent that such Proof of Claim has been accepted by the Liquidator;

(s) **"Publication Date"** means the date on which the publication of the Newspaper Notice in all of the Designated Newspapers has been completed;

(t) **"Valid Contingent Claim"** means a Contingent Claim set forth in a Proof of Claim, delivered to the Liquidator pursuant to the terms hereof, which is determined by the Liquidator to be valid, and which may therefore become a Proven Claim upon the occurrence of a specified future event;

GENERAL PROCEDURE

[2] **ORDERS** that the Newspaper Notice shall be published by the Liquidator in the Designated Newspapers as soon as practicable following the issuance of this Order, but in any event no later than June 10th, 2014;

[3] **ORDERS** that, in addition to the publication referred to in paragraph 2, the Liquidator shall send a copy of the Creditors' Instructions, by regular mail, to each Known Creditor at the last known address for each Known Creditor on the Books and Records as soon as practicable and no later than May 30th, 2014;

[4] **ORDERS** that, in addition to the publication referred to hereinabove, the Liquidator shall publish on its website at www.ey.com/ca/aceaviation and/or the website of ACE at www.aceaviation.com a copy of the Creditors' Instructions, as soon as possible but no later than May 30th, 2014.

[5] **ORDERS** that the Liquidator shall have no further notice obligations with respect to this Order, aside from those set forth at paragraphs 2 to 4 hereof;

CLAIMS PROCEDURE

[6] **ORDERS** that a Creditor who does not file a Proof of Claim by the Claims Bar Date shall not be entitled to any further notice, shall be forever barred from advancing a Claim against ACTS LP or 4378555 Canada Inc., and shall not be entitled to receive any amount from ACTS LP, 4378555 Canada Inc. or the Liquidator in connection with the liquidation and eventual distribution of the remaining assets of ACE;

[7] **ORDERS** that the following procedure shall apply where a Creditor files a Proof of Claim on or before the Claims Bar Date:

(a) the Liquidator shall review all Proofs of Claim received on or prior to the Claims Bar Date;

(b) in connection with its review, the Liquidator may request that the Creditor submit additional information and / or may attempt to consensually resolve the amount of the Claim with the Creditor;

(c) the Liquidator may accept a Proof of Claim or may disallow it in whole or in part;

(d) as regards any Contingent Claim set forth in a Proof of Claim, the Liquidator may declare it a Valid Contingent Claim (in which case it shall notify the Creditor of the portion of its Claim declared to be a Valid Contingent Claim by mail, facsimile, courier or other means of electronic communication), or may disallow it in whole or in part;

(e) where the Liquidator may determine that a Proof of Claim or Contingent Claim should be disallowed in whole or in part, the Liquidator shall send the Creditor a Notice of Revision or Disallowance by mail, facsimile, courier or by means of electronic communication within sixty (60) days of the Claims Bar Date, failing which the Proof of Claim shall be deemed to have been accepted or in the case of a Contingent Claim, shall be deemed to have been declared a Valid Contingent Claim;

(f) a Creditor who receives a Notice of Revision or Disallowance and wishes to dispute it shall, within thirty (30) days of the date of the Notice of Revision or Disallowance, deliver a Dispute Notice to the Liquidator, and the Liquidator's counsel identified in the Liquidation Order;

(g) upon receipt of a Dispute Notice, the Liquidator may attempt to consensually resolve the treatment of the Claim or Contingent Claim with the Creditor and / or seek further instructions from this Honourable Court with respect to a process for the resolution of the Claim or the Contingent Claim;

(h) unless otherwise authorized by this Court, if the Creditor does not deliver a Dispute Notice to the Liquidator within the time period provided for above, such Creditor shall be deemed to have accepted the treatment of its Claim or Contingent Claim as set out in the Notice of Revision or Disallowance, and any recovery it may be entitled to receive shall be based solely upon the amount of its Claim or Contingent Claim that is accepted by the Liquidator, as set forth in the said Notice of Revision or Disallowance;

(i) notwithstanding paragraph 28 of the Liquidation Order, a creditor receiving a Notice of Revision or Disallowance and having duly delivered a Dispute Notice to the Liquidator in accordance with paragraph (f) above, may make application to this Honourable Court in order to seek adjudication by this Court of the dispute relating to its Claim or Contingent Claim;

EXECUTION OF DOCUMENTS

[8] The Liquidator be and it is hereby authorized to sign and deliver on behalf of 4378555 Canada Inc., both in relation to the affairs of 4378555 Canada Inc. and in the capacity of 4378555 Canada Inc. as general partner of ACTS LP, all such corporate and partnership annual returns and declarations, tax returns, tax refund claims, and all agreements, deeds and other documents as may be necessary in connection with the claims process referred to above, the administration and affairs of ACTS LP and 4378555 Canada Inc. until their dissolution, and as necessary to maintain ACTS LP and 4378555 Canada Inc. in existence for the purposes of

exercising their rights and complying with their covenants under the tax indemnity arrangements referred to in the "Application for an Order Exempting ACE Aviation Holdings Inc. from the Requirement to Call and Hold an Annual Meeting of Shareholders and for an Order Relating to the Remaining Subsidiaries of ACE Aviation Holdings Inc." and under applicable laws, and to eventually dissolve ACTS LP and 4378555 Canada Inc.

[9] Any actions taken by the Liquidator with respect to ACTS LP and 4378555 Canada Inc., including the execution of any documents referred to in paragraph 8 above, shall be subject to the provisions of paragraphs 26, 27 and 28 of the Order of this Court dated June 28, 2012 appointing the Liquidator as liquidator of ACE.

THE WHOLE WITHOUT COSTS.

MONTREAL, this 20 day of May, 2014

THE HONOURABLE ______________________, J.S.C.

COPIE CONFORME

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